

Admission Tax Exemption - Music Venues Frequently Asked Questions (FAQs)

What type of venue is entitled to the music venue admission tax exemption?

Any venue that meets the criteria noted below can qualify for the music venue admission tax exemption:

- A premise or location with a certificate of occupancy of 999 or less; and
- Hosting or presenting live music on at least 3 separate days per week on a regular schedule; and
- Hiring one or more musicians to perform the equivalent of sixteen individual performances per week; and
- Is current with all City of Seattle license and tax requirements; and
- Has not obtained more than three violations of law concerning public health, public safety, noise, licensing, taxing or permitting related to the ownership, possession, occupation, operation, use or maintenance of the location or premises. A venue that has had more than three violations in any twelve (12) month period shall be ineligible for a certificate of exemption for a period of one year from the date of the last violation.

What type of violations will jeopardize the tax exempt status of a music venue or will prevent a venue from securing their tax exempt status?

Violations of law concerning public health, public safety, noise, licensing, taxing or permitting related to the ownership, possession, occupation, operation, use or maintenance of the location or premises.

What is live music?

Live music, for purposes of the tax exemption, is defined as an active performance of music by an individual or individuals who, at the time of and during performance, creates music or engages in an audible form of artistic expression, other than, or in addition to, any pre-recorded music, for an audience through the use of manipulation of voice, instruments, or electronic or computerized equipment or formats. As an example, if a DJ is just playing pre-recorded music, it does not qualify as live music.

Am I exempt from all Seattle taxes or just the admission tax?

No. The music venue tax exemption applies only to the Seattle admission taxes. Receipts from admission charges to music venues are still subject to the Seattle Business License Tax and must still be reported on the Seattle Business License Tax Return on a quarterly basis. All other Seattle business taxes would apply.

What happens if a premise or location is not current with all city license and tax requirements?

If a venue becomes delinquent on its tax or license requirements, then the music venue tax exemption will be cancelled until the venue becomes current with all license and tax requirements.

When is the effective date of the tax exemption?

The effective date of the music venue tax exemption is July 1, 2009. However, a music venue is not entitled to the music venue tax exemption until they complete and submit the application to the City of Seattle.

How does the application process work?

A copy of the application and instructions are available at <http://www.seattle.gov/rca/taxes/ADMITAX/ExemptionMusicVenues.htm>.

You may also contact Brenda Strickland at 206-684-8404 or Rachel White at 206-684-8504, to request a copy of the application for tax exemption.

I have secured my Music Venue Tax Exemption Certificate. Do I have to reapply each year?

No. Once you secure your music venue tax exemption certificate, you will be entitled to the exemption as long as you own the establishment and meet the criteria noted above.

Do I need to maintain records?

Yes. The music venue tax exemption has specific record keeping requirements.

All exempt music venues must file a quarterly report with the City of Seattle's Department of Executive Administration that demonstrates the meeting of the 3 scheduled events per week, and 16 individual performances per week criteria. In addition, in the event that you do not meet the criteria to maintain the tax exemption, then you are not qualified for the music venue tax exemption and will be required to remit the Seattle Admission Tax on all admission charges for events. It is important to maintain records to track admission charges collected because the admission charges are still subject to the quarterly Seattle Business License Tax. Specific quarterly reporting requirements will be defined by administrative rule.

If a promoter hosts or presents live music at a music venue that is a qualified tax exempt venue, must they receive their own tax exemption certificate?

No. The music venue tax exemption is applicable to all admission charges collected at a qualified tax exempt music venue. If a promoter hosts or presents live music at a qualified tax exempt music venue, then all admission charges would be exempt from the admission tax but would need to be reported on the Seattle Business License Tax return. However, it is the responsibility of the music venue to ensure that all promoters are current with all Seattle license and tax requirements. In addition, any violations against a promoter for events at the exempt music venue may jeopardize the tax exempt status of the music venue.

I am buying a music venue that is tax exempt. Does the tax exemption transfer with the facility?

No. If a tax exempt music venue is sold, or otherwise transferred, the new owner must go through the music venue tax exemption application process.